

## CHAPTER 368

## BENEVOLENT ASSOCIATIONS

S. F. 601

AN ACT relating to the regulation of benevolent associations.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. When used in this Act:

2 1. A "benevolent association" shall mean any person, firm, com-  
3 pany, partnership, association or corporation, organized to enroll  
4 persons as members of a group for the purpose of providing an agency  
5 by which persons so enrolled may in the event of the death of any  
6 other member of the group make voluntary contributions to be dis-  
7 tributed in whole or in part by the benevolent association to the bene-  
8 ficiary of the deceased member, or to members as contribution towards  
9 expense incurred by accident or sickness.

10 2. A "member" shall be any person who participates in a plan or  
11 agreement to make voluntary contribution through a benevolent as-  
12 sociation.

13 3. "Commissioner" when used in this Act shall mean the commis-  
14 sioner of insurance.

1 SEC. 2. The commissioner shall promulgate such reasonable rules  
2 and regulations as he deems necessary to assure the proper operation  
3 of benevolent associations.

1 SEC. 3. Before a benevolent association shall operate in this state  
2 it shall first incorporate in accordance with the laws of this state, and  
3 the articles of incorporation and bylaws shall be submitted to the  
4 commissioner. If he finds they conform to the requirements of the law  
5 and all rules and regulations promulgated under this Act, he shall  
6 approve the articles of incorporation and file them with the secretary  
7 of state. Every benevolent association formed and operating before  
8 January 1, 1967, and not so incorporated, shall be required to com-  
9 plete their incorporation before January 1, 1968. Every benevolent  
10 association at the time of its incorporation, or in the case of a benevo-  
11 lent association incorporated and operating prior to January 1, 1967  
12 within six months after the effective date of this Act, shall submit its  
13 general plan of operation to the commissioner and if he finds it con-  
14 forms to the requirements of the law and all reasonable rules and  
15 regulations promulgated under this Act, he shall issue a license to  
16 expire on the thirty-first day of March after issuance. Said license  
17 shall be renewed from year to year upon application of the association,  
18 if the commissioner finds from his examination that it has conformed  
19 to the requirements of all laws and regulations applicable thereto.

1 SEC. 4. The association shall keep a record of all its transactions  
2 and shall file an annual report thereof for the preceding calendar year  
3 on or before the first day of March on a form prescribed by the com-  
4 missioner. The commissioner shall also prescribe the method of keep-  
5 ing books and accounts of benevolent associations.

1 SEC. 5. There shall be paid to the commissioner for services re-  
2 quired under the provisions of this Act the following fees, which shall

3 be accounted for by him in the same manner as other fees received in  
4 the discharge of the duties of his office:

5 1. For filing and examination of the articles of incorporation for  
6 organization in this state and the accompanying general plan of oper-  
7 ation of any benevolent association, and the issuing of the permission  
8 to do business, ten dollars.

9 2. For filing an annual statement of a benevolent association, and  
10 issuing the renewal of the permission required by law to authorize  
11 continuance in business, three dollars.

1 SEC. 6. Such associations may operate without the establishment  
2 of reserves or surplus except for current expenses. Contributions for  
3 expenses shall be added as a separate item to contributions for mem-  
4 bership benefits. A reasonable membership fee to cover initial ex-  
5 penses may be charged.

1 SEC. 7. Within thirty days after acceptance to membership a cer-  
2 tificate, the form of which has been approved by the commissioner,  
3 shall be delivered to each member. The certificate shall set forth the  
4 name of the association, the name of the member, a statement as to  
5 the benefits of membership, to whom such benefits are payable, and  
6 such other provisions as are, in the opinion of the commissioner, neces-  
7 sary to inform the member of his rights in the association. The com-  
8 missioner before approving any certificate shall be satisfied that any  
9 benefits to be paid a member or the beneficiary of a member are rea-  
10 sonable in relationship to any and all charges made or assessed against  
11 the membership. The certificate shall not indicate therein that the  
12 plan or benefits constitute an insurance policy.

1 SEC. 8. Except as otherwise provided by law, it shall be unlawful  
2 for any person or corporation to operate a benevolent association in  
3 this state except as provided for in this Act. Any person violating the  
4 provisions of this Act shall be subject to a fine not exceeding one  
5 thousand dollars or imprisonment in the county jail not exceeding  
6 thirty days, or both such fine and imprisonment.

Approved June 22, 1967.

## CHAPTER 369

### PHARMACEUTICAL SERVICE

H. F. 176

AN ACT to amend chapter five hundred fourteen (514), Code 1966, relating to the participation of pharmacies in a pharmaceutical service plan.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Section five hundred fourteen point one (514.1), Code  
2 1966, is hereby amended by inserting in line nineteen (19) after the  
3 word "contract" the following:

4 "or any such corporation organized for the purpose of establishing,  
5 maintaining, and operating a nonprofit pharmaceutical service plan,